



Jan. 7, 2011

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Gov. Gregoire's Proposal for a Regional Ferry District

Yesterday, Gov. Gregoire offered one approach to fix our ferries and preserve these vital marine highways that are as important to the Pacific Northwest economy as major freeways. The governor proposed creating a regional ferry district to operate the ferries. The proposal would put decision-making in the hands of a district board that is directly accountable to customers and ferry-served communities and divide its funding between the state and the region. The district would include all or some Western Washington counties with ferry service.

Why is such a drastic change necessary? The ferry system, which operates 20 terminals on nine routes serving commuters, vacationers and commercial interests, is in a funding crisis and, in fact, is not sustainable at the service level travelers have come to expect.

Washington State Ferries (WSF) lost 20 percent of its operating support and 75 percent of its dedicated capital funding when voters approved Initiative 695 in 1999 and the Legislature enacted the Motor Vehicle Excise Tax reductions during the 2000 legislative session.

Since then, hundreds of millions of dollars have been transferred to WSF from motor vehicle funds to keep the current level of ferry service intact. To keep operating, WSF will require continued subsidies over the next 10 years. Beginning with the 2011-13 biennium, the 10-year projection for ferry operations and capital funding is a shortfall of more than \$900 million. That level of transfers to subsidize the ferry system, in a time of declining motor vehicle account revenues, is not financially sustainable.

Over the past two years, WSF has made progress in significantly reducing expenditures; by \$28 million annually. In addition, our employees did not take their arbitrated salary increase, which saved \$17 million. The governor's budget for FY2011-2013 proposes administrative and non-service operational cuts of \$1.2 million per year. We are cutting costs wherever we can; for example, we have reduced overtime costs by 10% between FY2009-FY2010 and we are on track to make further reductions in FY2011.

Something needs to change and the governor's proposal is one solution for consideration. The state cannot meet the ferry system's funding challenges on its own with existing resources. Currently, it is funded primarily from two sources: fares and state taxpayers. The governor's proposal for a regional ferry district would have local taxing authority – adding a critical third leg to the stool to meet the long-term needs of this Washington icon on which so many depend. It would also provide those that have financial responsibility for the ferry system a direct role in its governance and policies.

We all must come to grips with the serious funding problem that has been with the ferry system for several years and find solutions. Absent major reform, the ferry system faces a drastic financial shortfall and customers will see unpredictability year after year. This means old terminals, even older ferries and declining service. This proposal is designed to avoid this future.

For more information on the governor's proposal, please visit www.wsdot.wa.gov/ferries

End of Year Statistics for 2010

Before we move further into 2011, I want to review some statistics for 2010.

- There were 162,568 trips scheduled. Of those trips 161,882 were completed, which is a 99.5% completion rate.
- There were 809 cancellations of service last year: 235 trips for vessel maintenance, 13 terminal-related, 132 weather-related, four security-related, 61 for emergency medical response (transporting ambulances), 17 crewing-related, 245 tidal cancellations, and two safety-related. In addition there were 100 miscellaneous cancellations, which are generally attributed to resetting a sailing schedule because ferries were running late.
- WSF also added 125 extra trips for medical emergencies to and from Vashon Island.
- The on-time averages for 2010 were: 84% within 0+05 minutes and 94% within 0+10 minutes, which is a two and one percent, respectively, improvement over last year.
- WSF made 208,613 reservations in 2010: 181,949 for Port Townsend/Coupeville and 26,664 for the Anacortes/Sidney route. This is a 10% increase over 2009.

New Right-Hand Turn Lane at the Mukilteo Ferry Terminal

The new right-hand turn lane at the Mukilteo Ferry Terminal will open early next week. A temporary stop sign and striping are in place until Spring 2011. This new turn lane will help keep non-ferry traffic moving during loading and unloading of the ferry.

WSF Welcomes Hawaii Visitors and Convention Bureau to the Web

You may have noticed some subtle changes to WSF webpages this week. On Monday, WSF began a pilot project to advertise on our schedule (www.wsdot.com/ferries/schedule/Default.aspx) and vessel watch (www.wsdot.com/ferries/vesselwatch/Default.aspx) webpages. As part of a larger campaign to advertise aboard WSF vessels and in terminals, Hawaii Visitors and Convention Bureau invested in the opportunity to be WSDOT's first website advertiser. We welcome your feedback on this pilot project. For more information on advertising at WSF, please visit <http://www.wsdot.wa.gov/Ferries/Planning/marketing.htm>

New Ferry Salish Christening

On Tuesday, I joined WSDOT Secretary Paula Hammond, Senator Haugen and Representative Clibborn to christen the Salish, the second ferry in the Kwa-di Tabil Class, at Todd Pacific Shipyards. The Salish is scheduled to be delivered to WSF in Spring 2011. To view photos of the event, please visit www.flickr.com/photos/wsdot/5333730236/in/set-72157623767660087/.

For more information on the vessel building progress, please visit www.wsdot.wa.gov/projects/ferries/64carferries/.

Next Week:

- Legislative session begins Jan. 10
- House and Senate Transportation Committee Meetings
- WSF Management Quarterly Project Review

David Moseley's weekly reports are available on the WSDOT Ferries Division website at www.wsdot.wa.gov/ferries/weekly.

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